Gusau Journal of Accounting and Finance
(GUJAF)

Vol. 5 Issue 2, October, 2024 ISSN: 2756-665X

A Publication of
Department of Accounting and Finance,
Faculty of Management and Social Sciences,
Federal University Gusau, Zamfara State -Nigeria

Vol. 5 Issue 2
October, 2024
ISSN: 2756-665X

A Publication of
Department of Accounting and Finance,
Faculty of Management and Social Sciences,
Federal University Gusau, Zamfara State -Nigeria

Published and printed by:
Ahmadu Bello University Press Limited, Zaria
Kaduna State, Nigeria.
Tel: 08065949711, 069-879121
e-mail: abupress2013@gmail.com
abupress2020@yahoo.com
Website: www.abupress.com.ng

EDITORIAL BOARD

CALL FOR PAPERS

The editorial board of Gusau Journal of Accounting and Finance (GUJAF) is hereby inviting authors to submit their unpublished manuscript for publication. The journal is published in two issues of April and October annually. GUJAF is a double-blind peer reviewed journal published by the Department of Accounting and Finance, Faculty of Management and Social Sciences, Federal University Gusau, Zamfara State Nigeria The Journal accepts papers in all areas of Accounting and Finance for publication which include: Accounting Standards, Accounting Information System, Financial Reporting, Earnings Management, , Auditing and Investigation, Auditing and Standards, Public Sector Accounting and Auditing, Taxation and Revenue Administration, Corporate Governance Issues, Corporate Social Responsibility, Sustainability and Environmental Reporting Issue, Information and Communication Technology Issues, Bankruptcy Prediction, Corporate Finance, Personal Finance, Merger and Acquisitions, Capital Structure, Working Capital Management, Enterprises Risk Management, Entrepreneurship, International Business Accounting and Finance, Banking Crises, Bank's Profitability, Risk and Insurance Issue, Islamic Finance, Conventional and Islamic Banks and so forth.

GUIDELINES FOR SUBMISSION AND MANUSCRIPT FORMAT

The submission language is English and must be a well-researched original manuscript that has not previously been submitted elsewhere for publication. The paper should not exceed more than 15 pages on A4 type paper in MS-word format, 1.5-line spacing, 12 Font size in Times new roman. Manuscript should be tested for plagiarism before submission, as the maximum similarity index acceptable by GUJAF is 25 percent. Furthermore, the length of a complete article should not exceed 5000 words including an abstract of not more than 250 words with a minimum of four key words immediately after the abstract. All references including in text citation and reference list, tables and figures should be in line with APA 7th Edition publication manual. Finally, manuscript should be send to our email address elfarouk105@gmail.com and a copy to our website on journals.gujaf.com.ng

PUBLICATION PROCEDURE

After receiving a manuscript that is within the similarity index threshold, a confirmation email will be send together with a request to pay a review proceeding fee. At this point, the editorial board will take a decision on accepting, rejecting or making a resubmission of the manuscript based on the outcome of the double-blind peer review. Those authors whose manuscript were accepted for publication will be asked to pay a publication fee, after effecting all suggested corrections and changes made on the manuscript. All corrected papers returned within the specified time frame will be published in that issue.

PAYMENT DETAILS
Bank: FCMB
Account Number: 7278465011
Account Name: Gusau Journal of Accounting and Finance

FOR INQUIRY, CONTACT
Dr. A.U. Farouk
Department of Accounting and Finance,
Federal University Gusau, Zamfara State.
elfarouk105@gmail.com
+2348069393824

FOR MORE INFORMATION, CONTACT
The Editor-in-Chief on +2348067766435
The Associate Editor on +2348036057525
OR visit our website on www.gujaf.com.ng or journals.gujaf.com.ng

TABLE OF CONTENTS

POST COVID-19 PANDEMIC: COMPARATIVE STUDY IN THE VALUE RELEVANCE OF ACCOUNTING INFORMATION BETWEEN LISTED MANUFACTURING FIRMS AND LISTED SERVICE FIRMS IN NIGERIA

Abubakar, Aliyu
Department of Accounting and Finance
Faculty of Management and Social Sciences
Federal University, Gusau,
aliyuabubakar@fugusau.edu.ng, aliyunbuba@gmail.com
+2348066434558, +2348058138404

Abbas, Abdulrahman Ngadi
Department of Accounting
ABU Business School,
Ahmadu Bello University Zaria
ngadiabbas@gmail.com +23408038872486

Abdu, Abubakar
Department of Accounting
ABU Business School
Ahmadu Bello University Zaria
abubakarabdu26@gmail.com +2348162507309

DOI: https://doi.org/10.57233/gujaf.v5i2.05

Abstract
The study investigated the differences in the value relevance of accounting information between the listed service firms and the listed manufacturing firms in Nigeria in the post COVID-19 period. Secondary data was used from the annual reports of the sampled firms and cash craft stock broker website between 2021 and 2023. correlation research design was used. The population of the study included all the seventy-three listed manufacturing firms and twenty-three listed service firms in Nigeria as at 31st December, 2023. The sample size was fifty-two firms from the listed manufacturing firms and twenty from the listed service firms; multiple panel regression model was used for the purpose of analysis. Based on the findings of the study, earnings per share and book value of equity reported by listed manufacturing firms determines share price more than the ones reported by the listed service firms. However, divided among the listed service firms should be given preference over dividend reported by the listed manufacturing firms in Nigeria in equity valuation. Additionally, listed manufacturing and financial service firms in Nigeria should work towards increasing their earnings as it determines share price. As well, they should suitably manage their book value, pay dividend to investors from the profit generated and a balance should be strike between cash inflow and out flow from operations to avoid cash shortage or keeping unneeded cash. Moreover, SEC and FRC should maintain their effort in ensuring the integrity of information released by the listed firms in Nigeria.

Keywords: Comparative study in the value relevance of accounting information, post covid-19 pandemic, listed manufacturing firms, listed service firms in Nigeria.

1.0 Introduction

Value relevance is defined as the ability of share prices to reflect the financial statement information and is empirically held to be a statistical association between market values of shares and accounting values. In other words, accounting information is only termed value relevant if there is an established association between it and company market value. Furthermore, accounting is held to be an information system that is used by numerous economic units to make informed decision.

Bello (2009) stated that, if there is no association between accounting information and a company's value then accounting information cannot be characterised value relevant, and therefore incapable to fulfil one of its primary aims stated earlier. Accounting information is mostly used for investment purposes among others. Investment is a commitment of resources over a period of time in anticipation of return and to compensate owners of capital for the uncertainty and risk they undertake.

For investment decision to be made there must be readily available information. In line with this, section 845 and 846, chapter six of the Companies and Allied Matters Act (CAMA), (2020) directs all listed firms on the Nigerian stock-market (first-tier) to file their semi- yearly and annual reports of their performance to the securities and exchange commission between the financial year end and ninety days. Additionally, those listed on the second tier are to file only their annual reports and accounts, this guideline is to ensure accounting information is timely available and relevant for investment decisions.

Investors commit their funds with the expectation of return, bearing in mind a given level of risk (Pandey, 2010). Listed firms in Nigeria like other private organisations are having the primary aim of profit maximisation. As for this, most investors based their investment decisions on it, because it is from the profit that dividends and other obligations are paid. A firm that has not earned expected profit may not be able to meet up with its stakeholders' expectations.

Besides, Omokhudu and Ibadin (2015) opined that some investors study value of the firm, its size and acceptability within and outside the country irrespective of whether the firm pays dividend regularly or not. Investors of this favourite choose long run benefits that accrue to them; they therefore, look at the firm's book value in their decision. Investors that patronise these firms bear in mind that in case of any eventuality, the firm can use its assets to arrest the situation.

However, some investors are more concerned with dividend. To these category of investors, payment of dividend is their target on every occasion they are to make investment decision. Their decisions are geared towards firm that pays higher and stable dividend. A firm that satisfies this requirement will be the target of theses sort of investors, the more their number and participation in the capital market, the better the share prices will be.

To some investors, profit is not the only determinant for their investment decisions, they proceed further to find out from the profit generated by a firm, how much is in cash and how much is in credit? Since too much earnings on credit indicates danger as a result of the credit risk and costs related with the collection of credit sales (Omolehinwa, 2021).

Additionally, listed manufacturing firms in Nigeria are not of the same size, some are bigger that others in terms of assets, turnover over, geographical coverage, competitive standing in the market among other parameters which were attained over years and their performance may vary relative to their size (Omolehinwa, 2021). Moreover, some investors consider the size of the firm in their investment decision.

The Nigerian capital market was adversely affected by the COVID-19 because the markets parameters such as the trade volume, all share index and market capitalization have been adversely affected by the pandemic; in addition, the market was shot down for physical trading for some weeks between March, 2020 and April of the same year, a development that constrained the market participants to virtual transactions Nigerian Exchage Group (NGX Group), 2023).

Moreover, critical review of the share prices proved that manufacturing firms are the most severely affected firms in Nigeria, this is as a result of the lock down enforcement that resulted in the restriction of movement of human beings, raw materials and commodities, as for this, their prices skyrocketed due to scarcity. Additionally, significant losses were recoded due to the damage of manufactured goods in the ware houses. Critical review of the share prices of listed manufacturing firms proves a significant drop in the prices during the first quarter of 2020 and up to the end of august 2023 many have not recovered their opening value of the year 2020. For instance, Nascon Allied Industries PLC, Nestle Nigeria PLC, Unilever Nigeria PLC, International Breweries plc and Wapco PLC opened the year with the following prices respectively; ₦15.00, ₦1,380.00, ₦15, ₦9.00 and ₦15.20, but the prices crashed to ₦9.40, ₦850.00, ₦11.65, ₦5.50 and ₦10.10 respectively on 20th March, 2020. And as of the close of the business of Friday 5th May, 2023 the market price for the companies are as follows: Nascon Allied Industries PLC; ₦12.80, Nestle Nigeria PLC; ₦1,080.30, Unilever Nigeria PLC; ₦13.50, International Breweries PLC; ₦4.20 and Wapco PLC; ₦26.00 (Cashcraft Asset Management Company, 2023).

Like many firms listed on the Nigerian exchange group, listed service firms that engage in transportation, tourism, leasing, journalism business among others had their share prices experiencing sharp decline in the year 2020. But as at the end of august 2023, some firms are yet to recover their opening prices of 2020; while others have recovered and improved on the opening price of 2020 (Cashcraft Asset Management Company, 2023).

As a result of the difference in the reaction of the share prices after the COVID-19 pandemic among the listed firms, we deem it fit to conduct a study on the differences in the value relevance of accounting information between the listed manufacturing firms and listed service firms in Nigeria. hence, the study tested the following hypotheses.

$H0_1$ There is no difference in the value relevance of earnings per share between the listed manufacturing firms and listed service firms in Nigeria in the post COVID-19 period.

$H0_2$ There is no difference in the value relevance of book value of equity between the listed manufacturing firms and listed service firms in Nigeria in the post COVID-19 period.

$H0_3$ There is no difference in the value relevance of dividend per share between the listed manufacturing firms and listed service firms in Nigeria in the post COVID-19 period.

$H0_4$ There is no difference in the value relevance of cash flow from operations between the listed manufacturing firms and listed service firms in Nigeria in the post COVID-19 period.

2.0 Literature review

Under this section, the study reviewed related studies both empirical and otherwise, as well as the theory selected to underpin the study.

Review of Empirical studies

Chalmers et al. (2011) studied value relevance of accounting information with emphasis on IFRS adoption in Australia, the study used data between 1990 and 2008. The unit of analysis for the study was listed industrial firms. 20,025 firm-year observations across the 19-year period was used. The study documented that value relevance of accounting information particularly in relation to earnings per share has increased after the IFRS adoption. This indicates that earnings is a determinant of share prices both before and after the IFRS adoption in Australia. The study also

documented that book value of equity is not value relevant in both the period before and after the adoption of IFRS in Australia, this indicates that book value of equity is not a determinant of share price in Australia. However, the data for the study stopped at 2008.

Moreover, Baboukardos and Rimmel (2016) carried out a study using 954 firm-year observation of a total population of 1654 in the Johannesburg stock exchange, the study used OLS technique of analysis and the data covered a period between 2008 and 2013. The study segregated the period into two periods; prior to the mandatory adoption of IR (2008-2010) and the period after the adoption (2011-2013). The study found earnings to be significantly correlated with share prices both prior and after the adoption of IR; however, the result revealed the period after the adoption to be more value relevant. The study also found book value of equity to lack value relevance after the adoption of IR.

In addition, Kyari (2018) examined the impact of the adoption of IFRS on the value relevance of accounting information disclosed in financial statements of Banks listed on the Nigerian Stock Exchange. A sample of seven banks out of the listed deposit money Banks in Nigeria was used. The period used was between 2008 and 2015, the period 2008 – 2011 represented the pre adoption while 2012- 2015 represent the post adoption period. Data was collated from the published accounts of the banks studied. The data was processed using OLS technique of analysis. The study found earnings was positively and significantly correlated with share prices in the post IFRS adoption period. It further revealed that IFRS adoption has led to the disclosure of more information in the financial statements than the local standards. The study found earnings was negatively and significantly associated with share prices in the pre IFRS adoption period. The study also found book value per share among other variable to be positively and significantly associated with share prices in both the pre IFRS adoption and the post adoption periods and the significance improved after the adoption.

More so, Adefunke and Ojeaga (2018) inquiry was aimed at providing empirical result on the value relevance of accounting information among the listed firms on the floor of Nigerian stock exchange. The period of the study covered spanned through 2010 to 2014, OLS technique of analysis was utilized together with Ohlson model 1995. The sample of the study covered 30 listed firms out of the total listed firms of 196 as of the period of the study. Results of the study proved that earnings per and dividend to be positively but insignificant determinant of share price; while cash flow from operation to be negatively but insignificantly correlated with share prices among the listed firms in Nigeria.

Hirdinis (2019) carried out a study on the moderating role of profitability on the relationship between firm size and market value among the forty-seven listed mining firms in Indonesian stock exchange for the period between 2011 and 2015. A sample of seven firms was used with OLS technique of data analysis, based on the results from the analysis, the study concluded that firm size has a positive and significant effect on firm value represented by share price.

Additionally, Shammout (2020) **s**tudied the effect of firm characteristics on share prices among the thirteen listed commercial banks in the Jordan's stock exchange located in Amman. The study used Ohlson Model (1995) together with OLS technique of data analysis. Result of the analysis revealed: positive and significant relationship between book value of equity and dividend with share price, a positive but insignificant relationship between earnings and share price in addition

to negative but insignificant relationship between firm size and market share prices. The period of the study covered between 2005 and 2018, but failed to state the theory that underpins it.

In the Indian context, Thomas et al. (2020) studied the reaction of share prices after the declaration of COVID-19 as a pandemic by WHO and subsequent announcement of lockdown by the Indian Government. The sample of the study cut across fourteen sectors indexed under NIFTY 50. Following the announcements by WHO, All the sectors indexed under NIFTY 50 reported negative mean returns, the shares of financial services industry recorded the highest historical negative mean returns of 14.19%, this was followed by the pharmaceutical industry with negative mean returns of 11.3%. However, following the announcement of Lock down by the Indian Government and the distribution of stimulus packages by various Governments, all the sampled firms reported positive mean returns, the shares of fertilizers sector seconded by the services sector recorded the highest mean returns of 11.73% and 10.29% correspondingly. However, a new study is needed that will cover a longer period and employ robust technique of analysis instead of using graph and charts.

Moreover, Burhanuddin and Rahayu (2021) studied issuers share price and COVID-19 on the market performance of stock in the listed companies in Indonesia. Survey technique was employed by sending online questionnaires to 100 respondents in a form of semantic scale on the performance of their portfolio. The study uses a population of investors in Indonesia that are members of the Forward Air Controller (FAC) Indonesia investor community that monitored and transact in shares during COVID-19, the study maintained purposive sampling. The study used several indicators namely; eight indicators of Issuer Stock Prices, six indicators of COVID-19 and five indicators of Indonesian capital market performance. The result of the analysis documented that, share price of issuers and the impact of the COVID-19 can explain the capital market performance to the tune of 74.4%, while the remaining 25.6% is influenced by other variables outside of this study. However, the study utilized primary data that is vulnerable to bias and it also failed to state the tool of analysis it used.

Moreover, Cimini (2021) conducted a study that investigated the ability of female presence to affect value relevance of accounting information. The study Focused on a sample of 487 entities listed in 18 European countries over the period 2009 to 2017. Price model was used to assess the ability of female presence to affect the value relevance of earnings and book value of equity. Findings offered evidence that female presence on corporate boards increased the value relevance of accounting values on the overall, earnings and book value on the individual basis. this provided insights that board composition affects investors' judgments.

In this study, Mashoka (2022) examined the value relevance of accounting information. The sample of the study comprised all the listed firms in the Amman Stock Exchange (ASE) from 2002 to 2017. The listed firms are divided into three main sectors based on the major operations of the firms: financial, industrial and services firms. In this paper, firms were re- classified into two major groups; financial firms and non-financial service firms. The latter included the industrial and services firms. Financial firms rely more on fair value accounting matched to non-financial firms. Ohlson model was employed and the results showed earnings per share is value relevant. Moreover, the results also showed that firms with lower financial assets depend more on historical accounting and have higher value relevant earnings. The results indicated that the higher the percentage of financial assets, the more the firm depends on fair-value accounting and consequently, income statement becomes less value relevant to investors compared to statement

of financial position. Book value of equity is positively and significantly correlated with share prices. The results also showed that firms with lower financial assets depend more on historical accounting and have lower relevance book value. The results indicated that, the higher the percentage of financial assets, the more the firm depends on fair-value accounting and consequently, the balance sheet becomes more value- relevant to investors compared to the income statement.

Theoretical underpinning

The theory that is used to underpin this study is the efficient market hypothesis propounded by Fama, (1970). The theory states that, share prices are determined by the released or availability of accounting information and the price will change immediately there is new information to reflect the current information. The theory assumed that investors cannot consistently beat up the market to earn abnormal returns.

3.0 Methodology

The research design is correlation and the research paradigm is positivism. Multiple panel regression was used for the analysis using STATA version 13 software. The study covered a period of three years (2021-2023). The choice of this period was influenced by the availability of data and the COVID-19 Pandemic.

The population of the study consists of all the seventy-three quoted manufacturing firms and twenty-three listed service firms on the floor of Nigerian exchange group as at 31st December, 2023. However, some firms have no complete available data, we finally arrived at a sample of fifty-two firms in the manufacturing sector and twenty in the listed service sector.

The data was collected from secondary sources -the published audited annual reports for the independent variables and the Cash Craft Asset Management (stockbroker) website for the dependent variable.

Model specification

The study modified Ohlson (1995) model, which says share price is a function of earnings and book value of equity, it was modified to accommodate dividend per share because its determine value of the firm, as most investors prefer firms that pay dividend; cash flow from operations because it is what determines whether the profit made translates into cash and firm size as control variable. The firm size is included because size of a firm determines its operations. Two models are used, one for the data related to manufacturing firms and the other for the listed service firms, the model is specified below:

For the listed manufacturing firms –post COVID-19 period, the model is

$$SHP_{it} = \beta_0 + \beta_1 EPS_{it}^{man} + \beta_2 BPS_{it}^{man} + \beta_3 DIV_{it}^{man} + \beta_4 CFO_{it}^{man} + \beta_5 FZ_{it}^{man} + \varepsilon_{it}^{man} \quad (1)$$

For the service firms -post COVID-19 period, the model is

$$SHP_{it} = \beta_0 + \beta_1 EPS_{it}^{ser} + \beta_2 BPS_{it}^{ser} + \beta_3 DIV_{it}^{ser} + \beta_4 CFO_{it}^{ser} + \beta_5 FZ_{it}^{ser} + \varepsilon_{it}^{ser} \quad (2)$$

The interpretation of the elements in the models is as follows:

SHP_{it} = Share price of firm i in year t

EPS_{it} = Earnings per share of firm i in year t

BPS_{it} = Book value per share of firm i in year t.

DIV = Dividend per share of firm i in year t.

CFO = Cash flow from operation of firm i in year t.

FZ = Firms size of firm i in year t.

β_0 = Constant or intercept

β_1 and β_5 = Coefficients of explanatory variables

ε_{it} = error term.

i = Individual firm

t = Time dimension

Man = Manufacturing firms

Ser = Service firms

Variables Measurement

The variables of the study were measured as follows:

Share price (SHP); This is the market price per share as obtained from the cash craft website three months after the accounting period (Abubakar et al., 2020) and (Abubakar & Abbas, 2021).

Earnings per share (EPS); This is the net profit after tax on ordinary activities divided by the outstanding number of shares at the end of the accounting year (Abubakar et al., 2020) and (Mashoka, 2022).

Book value per share (BPS); This was measured as the net value of equity divided by the outstanding number of shares at the end of the accounting period (Bello, 2009) and (Egiyi, 2021).

Dividend per share (DPS); This was measured as the dividend per share paid at the end of the accounting period Shammout (2020) and Egiyi (2021).

Cash flow from operations (CFO); This was obtained by dividing the total cash from operation by the outstanding number of shares at the end of the accounting period (Zavodny & Prochazka, 2022).

Firm size (FZ); Natural logarithm of total assets Al- Akra et al. (2010) and Dabari and Liuraman (2022).

4.0 Results and discussion of findings

In this section, the results of the study are presented from which conclusions were drawn. The section starts from descriptive statistics, to correlation matrix, Multicollinearity tests, heteroscedasticity test and finally regression results of the study.

Descriptive statistics

The table I below describes the summary of the description of the data, it contains the mean, standard deviation, minimum and maximum for all the variables.

Descriptive statistics

The table IA below describes the summary of the description of the data, it contains the mean, standard deviation, minimum and maximum for all the variables.

Table 4. 1 A
A Descriptive Statistics of manufacturing firms' data between 2021 and 2023

Variables	OBS	MEAN	MIN	MAX	STD DE
SHP	156	81.46	0.21	1,837.00	264.94
EPS	156	5.70	-5.67	79.75	14.75
BPS	156	41.29	-41.53	1,337.24	174.46
DPS	156	2.77	0.00	49.92	8.05
CFO	156	12.79	-7.12	359.61	46.66
FS	156	10.49	8.26	12.42	0.92

Source: Stata output 2024

From table 4.1A above, the mean value of share prices is 81.46, with minimum value of 0.21, maximum value of 1,837.00 and standard deviation of 264.94. This indicates that the average share price among the listed manufacturing firms between 2021 and 2022 is 81.46, the minimum value of 0.21 indicates that within the period of the study among the sample firms, the least share price was 0.21 and it was reported in 2021 by Multiverse Mining and Exploration PLC; The maximum share price stood at 1,837.00 and it was reported in 2022 by Seplat Energy PLC, the standard deviation value stood at 264.94 and it is greater than the mean value shows the data is highly dispersed.

Furthermore, the mean value of earnings per share was 5.70, with minimum value of -5.67, maximum value of 79.75 and standard deviation of 14.75. This indicates that the average earnings per share for the period of the study is 5.70; the minimum value of -5.67 indicates that within the period of the study among the sample firms, the highest loss per share was -5.67 and it was reported in 2022 by Nigerian Enamelware PLC. The maximum earnings per share stood at 79.75 and it was for Seplat Energy PLC in 2021; standard deviation value stood at 14.75 and it is greater than the mean value of 5.70, this shows the possibility of outliers

Besides, the mean value of book value of equity per share was 41.29, with minimum value of -41.53, maximum value of 1,337.24 and standard deviation of 174.46. This indicates that on the

average, the book value of equity per share for the period of the study is 41.29; the minimum value of -41.53 indicates that within the period of the study among the sample firms, there were firms that reported negative book value and the highest was reported by Nigerian Brewery PLC in 2022; The maximum book value per share stood at 1,337.24 and it was for Seplat Energy PLC in 2022; standard deviation value stood at 174.46 and it is greater than the mean value which stand at 41.29, this signifies the possibility of outliers in the data.

Also, with regards to dividend per share, the mean value was 2.77; this indicates the average dividend per share within the period of the study. The minimum value of 0 indicates that within the period some firms did not pay dividend, maximum value of 49.92 indicates the maximum amount paid as dividend per share and it was paid by Seplat Energy PLC in 2021; the standard deviation value of 8.05 indicates the variability of the data from the mean which is very high.

More so, the mean value of cash flow from operations was 12.79 and it indicates the average cash flow from operations between 2021 and 2022 among the sampled manufacturing firms, the minimum value of -7.12 indicates the highest cash out flow from operations and it was reported in 2022 by S C O A NIG PLC, maximum value of 359.61 indicates the highest cash inflow generated within the period 2021-2022 as reported in 2022 by Seplat Energy PLC, the standard deviation value of 46.66 shows the dispersion of the data.

In addition, the mean value of firm size is 10.49, with minimum value of 8.26, maximum value of 12.42 and standard deviation of 0.92. This indicates that the average firm size for the period between 2021 and 2022 is 10.49, the minimum value of 8.26 indicates that within the period of the study among the sample firms, the least firm size was reported by Smart Products Nigeria PLC in 2021; The maximum firm size stood at 12.42 and it was reported by Dangote Cement PLC in 2022; standard deviation value stood at 0.92 and it is lower than the mean value by far, this shows the data is highly dispersed and it indicates the unlikelihood of outliers.

Table 4.1B
Descriptive statistics for listed service firms' data between 2021 and 2023

Variables	OBS	MEAN	MIN	MAX	STD DE
SHP	60	1.917	0.20	6.06	1.62129
EPS	60	-0.13125	-1.95	1.65	0.6871949
BPS	60	2.95925	-6.80	9.99	3.431069
DPS	60	0.0595	0.00	0.75	0.1430609
CFO	60	0.523	-0.68	7.91	1.29822
FZ	60	9.8975	8.78	11.08	0.6598747

Source: Stata output 2024

From above table, the mean value of share prices is 1.92, with minimum value of 0.20, maximum value of 6.06 and standard deviation of 1.62. This indicates that the average share price among the listed service firms between 2021 and 2022 is 1.92, the minimum value of 0.20 indicates that within the period of the study among the sample firms, the least share price was 0.20 and it was

reported by some firms including but not limited to Afro-media PLC, Daar Communication PLC and Tantalizers PLC. The maximum share price stood at 6.06 and it was reported in 2022 by Transcorp Hotels PLC, the standard deviation value stood at 1.62 and it is close to the mean value, this shows the data is close to normality.

Furthermore, the mean value of earnings per share was -0.13, with minimum value of -1.95, maximum value of 1.65 and standard deviation of 0.69. This indicates that the average earnings per share for the period of the study is -0.13; the minimum value of -1.95 indicates that within the period of the study among the sample firms, the highest loss per share was -1.95 and it was reported in 2021 by R T Briscoe PLC. The maximum earnings per share stood at 1.65 and it was for Nigeria Aviation Handling Company PLC in 2022; standard deviation value stood at 0.69 and it is greater than the mean value.

Besides, the mean value of book value of equity per share was 2.96, with minimum value of -6.8, maximum value of 9.99 and standard deviation of 3.43. This indicates that on the average, the book value of equity per share for the period of the study is 2.96; the minimum value of -6.8 indicates that within the period of the study among the sample firms, there were firms that reported negative book value and the highest was reported by R T Briscoe PLC 2022; The maximum book value per share stood at 9.99 and it was for Ikeja Hotel PLC in 2021; standard deviation value stood at 3.43 and it is close to the mean value of 2.96, as such the data is close to normality.

Also, with regards to dividend per share, the mean value was 0.06; this indicates the average dividend per share within the period of the study. The minimum value of 0 indicates that within the period some firms did not pay dividend, maximum value of 0.75 indicates the maximum amount paid as dividend per share and it was paid by C &I Leasing PLC in 2021; the standard deviation value of 0.14 indicates the variability of the data from the mean.

More so, the mean value of cash flow from operations was 0.52 and it indicates the average cash flow from operations between 2021 and 2022 among the sampled service firms, the minimum value of -0.68 indicates the highest cash out flow from operations and it was reported in 2021 by Eunisell Interlinked PLC, maximum value of 7.91 indicates the highest cash inflow generated within the period 2021-2022 as reported in 2022 by C &I Leasing PLC, the standard deviation value of 1.30 shows the dispersion of the data from the mean.

In addition, the mean value of firm size is 9.90, with minimum value of 8.78, maximum value of 11.08 and standard deviation of 0.66. This indicates that the average firm size for the period between 2021 and 2022 is 9.9, the minimum value of 8.78 indicates that within the period of the study among the sample firms, the least firm size was reported by Eunisell Interlinked PLC in 2022. The maximum firm size that stood at 11.08 was reported by Transcorp Hotels PLC in 2022; standard deviation value stood at 0.66 and it is lower than the mean value by far, this shows the data is highly dispersed.

Correlation matrix

The essence of correlation result is to test the strenght and the direction of the relationship between the independent variable and the dependent variables and among the independent variables themselves and to see whether there is the possibility of multicollinearity among the independent variables.

Table 4.2 A Correlation matrix for Manufacturing firms between 2021 and 2023

	SHP	EPS	BVPS	DPS	CFO	FZ
SHP	1.0000					
EPS	0.8593	1.0000				
BVPS	0.8255	0.8212	1.0000			
DPS	0.6081	0.6011	0.4687	1.0000		
CFO	0.7507	0.7431	0.7846	0.3932	1.0000	
FZ	0.6746	0.6413	0.6139	0.3807	0.6208	1.0000

Source: STATA output 2024

The results of table 4.2 A above shows a positive relationship between all the independent variables (IVs) and the dependent variable (DV) and all the values are greather than 0.5 (strong correlation). Among the IVs, only one correlation is up to 0.80 -as such we suspect collinearity between the IVs (Gujarati, 2009); however, this has been proved contrary by the VIF test for multicollinearity.

Table 4.2B Correlation matrix for listed service firms for the period between 2021 and 2023

	SHP	EPS	BVPS	DPS	CFO	FZ
SHP	1.0000					
EPS	0.2234	1.0000				
BVPS	0.5502	-0.0956	1.0000			
DPS	0.3384	0.3432	0.1825	1.0000		
CFO	0.4290	0.1319	0.1829	0.1109	1.0000	
FZ	0.5290	-0.2413	0.5452	0.2236	0.3879	1.0000

Source: STATA output 2024

The results of table 4.2D above shows a positive relationship between the IVs and the DV. However, the correlations are weak with the exception of correlation between the DV and book value per share in addition to correlation between the DV and the firm size. Among the IVs, none of the correlation values is up to 0.80 -as such we do not suspect multicolliearity between the IVs as stated by (Gujarati, 2009).

Multicollinearity result

The result of the multicollinearity is as presented below: The below tables present the results of the variance inflation factor (VIF) for multicollinearity test.

Table 4.3A multicollinearity test result for manufacturing firms' data between 2021 and 2023

Variables	VIF	1/VIF
CFO	7.52	0.133062
DPS	6.65	0.150475
BVPS	6.44	0.155168
EPS	6.28	0.159137
FZ	2.29	0.776374
MEAN VIF	6.64	

Source: STATA output 2024

The Multicollinearity test result as per table 4.3A above shows a mean value of 5.64 and that for all the independent variables, the variance inflation factors are greater than 1 but less than 10 -this indicate absence of Multicollinearity among the independent variables, this is further supported by the values of the 1/VIF, as they are all greater than 10% but less than 100% (Gujarati, 2009).

Table 4.3B multicollinearity test result for listed service firms' data -2021 - 2023

Variables	VIF	1/VIF
CFO	1.93	0.519392
DPS	1.43	0.697399
BVPS	1.39	0.720664
EPS	1.29	0.773688
FZ	1.27	0.787580
MEAN VIF	1.46	

Source: STATA output 2024

The Multicollinearity test result as per table 4.3B above shows a mean value of 3.56 and that all the independent variables have variance inflation factors that are greater than 1 but less than 10 - this indicate absence of Multicollinearity among the IVs (Gujarati, 2009).

Heteroskedasticity result

The heteroscedasticity test result for manufacturing firms showed a chi2 value of 0.69 with a P. value of 0.4072; while for the listed service firms, the result provided a chi2 value of 13.84 and probability value of 0.0002, this shows absence of heteroskedasticity in the data of manufacturing firms and the absence of homoscedasticity in the data of financial service firms (Gujarati, 2009).

Regression result table

The regression result reported by the study is as per the below tables:

Table 4.4A: Regression result of listed manufacturing firms between 2021 and 2023

Variables	Coefficient	Z-Value	P> (Z)
EPS	0.1387575	3.15	0.002
BPS	0.1770789	3.46	0.001
DPS	0.1639961	2.94	0.003
CFO	0.0512424	1.63	0.103
FZ	0.1553005	2.37	0.018
CONS	-0.9654629	-1.43	0.154
R. Squared	0.8157		0.0000

Source: STATA output 2024

From the above table, the fixed effect regression results showed R- squared value of 0.8157 with probability value of 0.000, this indicates that all the independent variables jointly explain the dependent variable to the tune of 81.57% at 1% level of significance. The individual results are as reported hereunder.

It can be seen that the coefficient of earnings per share is 0.14 with a probability value of 0.002 this indicates a positive and significant relationship between earnings per share and share prices at 1% level of significance among the listed manufacturing firms in Nigeria between 2021 and 2022, This indicates that for every one -naira increase in earnings per share, share price will increase by 0.14 naira this is in line with the findings of Otiedhe and Jeroh (2022), Felix (2022) and Mashoka (2022).

More so, the coefficient of book value of equity per share is 0.18 with a probability value of 0.001 this indicates a positive and significant relationship between book value per share and share prices among the listed manufacturing firms in Nigeria at 1% level of significance. This indicates that for every one- naira increase in book value of equity share price will increase by 0.18, this is in line with the findings of Shammout (2020) and Otiedhe and Jeroh (2022); however, it contradicts the findings of Chalmers et al., (2011) and Zavodny and Prochazka (2022).

Additionally, the coefficient of dividend per share is 0.16 with a probability value of 0.003, this indicates a positive and significant relationship between dividend per share and share prices at 1% level of significance among the listed manufacturing firms in Nigeria. This further indicates that for every one-naira increase in dividend per share, share price will increase by 0.16 naira. This is in line with the findings of Sharma (2014), Omokhudu and Ibadin (2015) and El-diftar and Elkalla (2019). But it is contrary to the findings of Akadakpo and Mgbame (2018) and Adefunke and Ojeaga (2018).

In addition, cash flow from operation has coefficient value of 0.05 with P. value of 0.103; this indicates a positive but insignificant relationship between cash flow from operations and share price among the listed manufacturing firms in Nigeria between 2021 and 2022. This indicates that cash flow from operations is not a determinant of share prices. this affirms the findings of Zavodny

and Prochazka (2022) and Felix (2022).and contradicts the results of Chukwu et al. (2019), Omokhudu and Ibadin (2015) and El-diftar and Elkalla (2019)

Firm size has coefficient value of 0.16 with P. value of 0.018; this indicates a positive and significant relationship between firm size and share price at 5% level of significance among the listed manufacturing firms in Nigeria. This means that for every percentage change in firm size, share price will increase by 0.16%. this is in line with the findings of Hirdinis (2019) but contrary to the findings and conclusions of Ilaboya and Aggreh (2013), Mule et al. 2015) and Mulenga and Bhatia (2020).

Table 4.4B: Regression result of listed service firms between 2021 and 2023

Variables	Coefficient	Z-Value	P> (Z)
EPS	0.6375653	1.94	0.052
BPS	0.1715395	2.28	0.022
DPS	1.037864	2.89	0.004
CFO	0.2542915	2.52	0.012
FZ	0.7170512	5.12	0.000
CONS	-5.79871	-4.67	0.000
R. Squared	0.5314		0.000

Source: STATA output 2024

From the above table, the results showed R- squared value of 0.5314 with probability value of 0.000, this indicates that the independent variables together explain the dependent variable to the extent of 53.14% at 1% level of significance. The individual results are per below.

It can be seen that the coefficient of earnings per share is 0.64 with a probability value of 0.052 this indicates a positive and significant relationship between earnings per share and share prices at 10% level of significance among the listed service firms in Nigeria between 2021 and 2022, This indicates that for every one -naira increase in earnings per share, share price will increase by 0.64 naira this is in line with the findings of Khanna (2014), Omran and Tahat (2020), Otiedhe and Jeroh (2022), Felix (2022) and Mashoka (2022).

As well, the coefficient of book value of equity per share is 0.17 with a probability value of 0.022 indicates a positive and significant relationship between book value per share and share prices among the listed service firms in Nigeria at 5% level of significance. This means for every one-naira increase in book value of equity share price will increase by 0.17, this is in line with the findings of Khanna (2014), Shammout (2020) and Otiedhe and Jeroh (2022); however, it contradicts the findings of Chalmers et al., (2011), Ajape et al., (2018) and Zavodny & Prochazka (2022).

Additionally, the coefficient of dividend per share is 1.04 with a probability value of 0.004, this indicates a positive and significant relationship between dividend per share and share prices at 1% level of significance among the listed service firms in Nigeria. It further shows that for every one-naira increase in dividend per share, share price will increase by 1.04 naira. This is in line with the findings of Sharma (2014), Omokhudu and Ibadin (2015) and El-diftar and Elkalla (2019). But it is contrary to the findings of Akadakpo and Mgbame (2018) and Adefunke and Ojeaga (2018).

In addition, cash flow from operation has coefficient value of 0.25 with P. value of 0.012; this indicates a positive and significant relationship between cash flow from operations and share price among the listed service firms in Nigeria between 2021 and 2022 at 5% level of significance. This shows for every one-naira increase in cash flow from operation share price will increase by 0.25. this confirms the finding of Chukwu et al. (2019), Omokhudu and Ibadin (2015) and El-diftar and Elkalla (2019); but against the findings of Zavodny and Prochazka (2022) and Felix (2022).

Firm size has coefficient value of 0.72 with P. value of 0.000; this indicates a positive and significant relationship between firm size and share price at 1% level of significance among the listed service firms in Nigeria. This means that for every percentage change in firm size, share price will increase by 0.72%. this confirms the findings of Hirdinis (2019) but contradicts the findings and conclusions of Ilaboya and Aggreh (2013), Mule et al. 2015) and Mulenga and Bhatia (2020).

5.0 Conclusions and recommendations

The study examined the differences in the value relevance of accounting information reported by the listed service firms and the one reported by the listed manufacturing firms in Nigeria. Secondary data sourced from the selected firms' annual reports was used. Share price was used to represent value of firms, while earnings per share, book value per share, dividend per share, cash flow from operations and firm size were used as accounting information. We reported fixed effect regression model for the manufacturing firms and correlated panel corrected standard errors for the listed service firms due to the problem of heteroscedasticity with the data. The study concluded that earnings per share and book value per share determine share prices more among the listed manufacturing firms than the listed service firms in Nigeria within the period of the study. Additionally, it was concluded that dividend determines share prices among the listed service firms more than the listed manufacturing firms in Nigeria in the post pandemic period. However, cash flow from operations is not a determinant of share prices among the listed manufacturing firms; while it is value relevant among the listed service firms.

Based on the conclusions, the study hereby recommends that in the post pandemic period, investors and financial analysts should use earnings, book value, and dividend for share price valuation among both listed manufacturing and listed service firms; while cash flow from operations should only be used among the listed service firms. In terms of comparison, earnings per share and book value of equity reported by listed manufacturing firms determines share price more than the ones reported by the listed service firms. However, divided among the listed service firms should be given preference over dividend reported by the listed manufacturing firms in Nigeria in equity valuation. Additionally, listed manufacturing and financial service firms in Nigeria should work towards increasing their earnings as it determines share price. As well, they should suitably manage their book value, pay dividend to investors from the profit generated and a balance should be strike between cash inflow and out flow from operations to avoid cash shortage or keeping unneeded cash. Moreover, SEC and FRC should maintain their effort in ensuring the integrity of information released by the listed firms in Nigeria.

References

Abubakar, A., & Abbas, A. N. (2021). Overall value relevance of timeliness of accounting information in the listed insurance firms in Nigeria: Application of Crammer Z Test. *Gusau International Journal of Management and Social Sciences*, *4*(3), 230–249.

Abubakar, A., Shuaibu, Y. M., & Magaji, A. (2020). Moderating effect of leverage on the value relevance of accounting information in the Nigerian listed oil and gas firms. *Gusau Journal of Accounting and Finance*, *1*(1).

Abubakar, S. (2011). Value relevance of accounting information of listed new economy firms in Nigeria: An empirical investigation using Ohlson Model. *Ngerian Journal of Accounting Research*, *6*(2), 1–17.

Adefunke, A. B., & Ojeaga, J. O. (2018). Value relevance of accounting information and share price in the Nigerian stock sxchange. *International Journal of Management Studies, Business and Entrepreneurship Research*, *3*(1), 25–34. http://www.casirmediapublishing.com

Ajape, M. K., Omolehinwa, E. O., & Adeyemi, S. B. (2018). Value relevance of accounting information in consumer goods companies in Nigeria: A pre- and post- IFRS periods appraisal. *Crawfo Journal of Busines and Social Sciences*, *8*(1), 128–141.

Akadakpo, B. A., & Mgbame, M. C. (2018). Value relevance of accounting information : The moderating effect of timeliness. *Accounting and Taxation Review*, *2*(1), 122–135.

Al- Akra, M., Eddie, I. A., & Ali, M. J. (2010). The influence of the introduction of accounting disclosure regulation on mandatory disclosure compliance: Evidence from Jordan. *The British Accounting Review*, *42*(3), 170–186. http://doi.org/10.1016/j.bar.2010.04.001

Baboukardos, D., & Rimmel, G. (2016). Value relevance of accounting information under an integrated reporting approach : A research note. *Journal of Accounting and Public Policy*, *35*(4), 437–452. https://doi.org/10.1016/j.jaccpubpol.2016.04.004

Bello, A. (2009). The marginal value relevance of inflation accounting adjustments in Nigeria. *Ngerian Journal of Accounting Research*, *5*, 1–15.

Burhanuddin, M. A., & Rahayu, H. (2021). Stock price of pandemic Covid-19 in stock market performance. *Universal Journal of Accounting and Finance*, *9*(2), 184–190. https://doi.org/10.13189/ujaf.2021.090206

Cashcraft Asset Management Company. (2023). *Daily Shares Price list*. Cash Craft Asset Management Stockbroker. Retrieved from Www.Cashcraft.Com 58/05/2023. https://www.cashcraft.com/plist.php

Chalmers, K., Clinch, G., & Godfrey, J. M. (2011). Changes in value relevance of accounting information upon IFRS adoption : Evidence from Australia. *Australian Journal of Management*, *36*(2), 151–173. https://doi.org/10.1177/0312896211404571

Chukwu, G. J., Damieibi, I. J., & Okoye, E. I. (2019). Firm-specific attributes and the value relevance of accounting information in Nigeria. *International Journal of Business and Management*, *14*(10), 12–20. https://doi.org/10.5539/ijbm.v14n10p12

Cimini, R. (2021). The effect of female presence on corporate boards of directors on the value

relevance of accounting amounts : empirical evidence from the European Union. *Journal of International Financial Management and Accounting*, *33*(1), 1–20. https://doi.org/10.1111/jifm.12138

Companies and Allied Matters Act, 1 (2020). https://www.cac.gov.ng

Dabari, I. J., & Liuraman, Z. (2022). Moderating effect of audit quality on the relationship between ownership structure and tax aggressiveness of listed consumer goods companies in Nogeria. *NDA Journal of Management Sciences Research*, *2*(1), 44–53.

Egiyi, M. A. (2021). Value- relevance of accounting information in the Nigerian Stock Exchange. *Global Journal of Finance and Business Review*, *4*(2), 19–28.

El-diftar, D., & Elkalla, T. (2019). The value relevance of accounting information in the MENA region: Comparison of GCC and non-GCC country firm. *Journal of Financial Reporting and Accounting*, *17*(3), 519–536. https://doi.org/10.1108/JFRA-09-2018-0079

Fama, E. (1970). Efficient capital markets. *A Review of Theory and Empiricasl Work: Journal of Finance*, *25*(2), 383–417.

Felix, I. E. (2022). Accounting information and value relevance : A quinquennial comparison of pre- and post-IFRS adoption of listed firms in Nigeria and South Africa. *Modern Research*, *13*, 1006–1023. https://doi.org/10.4236/me.2022.137053

Gujarati, D. N. (2009). *Basic Econometrics* (Fourth). MC Graw-hill Companies.

Hirdinis, M. (2019). Capital structure and firm size on firm value moderated by profitability. *International Journal of Economics and Business Administration*, *7*(1), 174–191. https://doi.org/10.35808/ijeba/204

Ilaboya, O. J., & Aggreh, M. (2013). Dividend policy and share price volatility. *Journal of Asian Development Study*, *2*(2), 109–122.

Khanna, M. (2014). Value Relevance of accounting information : An empirical study of selected Indian firms. *International Journal of Scientific and Research Publications*, *4*(10), 1–9.

Kyari, A. K. (2018). Impact of IFRS adoption on value relevance of financial statements. *Journal of Accounting and Economics*, *2*(1), 1–10.

Mashoka, T. Z. (2022). The effect of fair-value accounting on the value relevance of the balance sheet and the income statement. *Jordan Journal of Business Administration*, *18*(4), 501–512. https://doi.org/10.35516/jjba.v18i4.456

Mule, R. K., Mukras, M. S., & Nzioka, O. M. (2015). Corporate size, profitability and market value: an econometric panel analysis of listed firms in Kenya. *European Scientific Journal*, *11*(13), 376–396.

Mulenga, M., & Bhatia, M. (2020). Relevance of earnings and book value: Evidence from listed pharmaceutical companies. *Corporate Ownership and Control*, *18*(1), 196–206. https://doi.org/10.22495/cocv18i1art15

Nigerian Exchage Group (NGX Group). (2023). *All share index*. Investing.Com. https://ng.investing.com/indices/nse-all-share index-historical data

Omokhudu, O. O., & Ibadin, P. O. (2015). The Value relevance of accounting information : Evidence from Nigeria. *Accounting and Finance Research*, *4*(3), 20–30. https://doi.org/10.5430/afr.v4n3p20

Omolehinwa, A. (2021). *Strategic financial mangement*. The Institute of Chartered Accountants of Nigeria PC 16, Idowu Taylor Street Victoria Island, Lagos, Nigeria. www.ican-ngr.org

Omran, M., & Tahat, Y. A. (2020). Does institutional ownership affects the value relevance of accounting information ? *International Journal of Accounting and Information Management*, *28*(2), 323–342. https://doi.org/10.1108/IJAIM-03-2019-0038

Otiedhe, M. G., & Jeroh, E. (2022). Value relevance of accounting information of quoted Nigerian firms in the industrial goods sector : Assessment of the pre- and post- IFRS era. *Finance and Accounting Research Journal*, *4*(5), 296–309. https://doi.org/10.51594/farj.v4i5.415

Pandey, I. M. (2010). *Financial management* (Tenth edit). Vikas Publishing house PVT limited.

Shammout, B. R. T. (2020). The impact of stock characteristics on its market price in Jordanian commercial banks. *Modern Applied Science*, *14*(3), 45–55. https://doi.org/10.5539/mas.v14n3p45

Sharma, M. (2014). Value relevance of accounting information: a comparative study of public and private sector companies in India. *Asia Pacific Journal of Research ISSN:*, *1*(12), 113–121.

Thomas, T. C., Sankararaman, G., & Suresh, S. (2020). IMPACT OF COVID-19 ANNOUNCEMENTS ON NIFTY STOCKS. *Journal of Critical Reviews*, *7*(13), 471–475. https://doi.org/10.31838/jcr.07.13.83

Zavodny, L., & Prochazka, D. (2022). IFRS adoption and value relevance of accounting information in the V4 region. *Economic Research-Ekonomska Istraživanja*, *0*(0), 1–19. https://doi.org/10.1080/1331677X.2022.2102049